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RELEASED IN PART
B1, 1.4(D)

Brian R Naranjo 03/13/2002 08:08:14 AM From DB/inbox: Brian R Naranjo

Cable Text:
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TELEGRAM

March 08, 2002

To: SECSTATE WASHDC - IMMEDIATE
Action: WHA
From: AMEMBASSY CARACAS (CARACAS 586 - IMMEDIATE)
TAGS: ECON, BPET, ENRG, VE
Captions: None
Subject: TURMOIL CONTINUES AT PDVSA
Ref: CARACAS 500

PAGES MISSING ~~8/10~~
Chrc

1. (U) Classified by CDA Frederick Cook for reasons 1.5 (B) and (D).

2. (SBU) Summary: Protest activities at the state-owned Petroleos de Venezuela, S.A. (PDVSA) are quickly coming to a climax. PDVSA employees have called for the removal of a number of the Board members named by President Chavez on February 25. PDVSA President Parra stated publicly on March 5 that the Board members should follow their own consciences in deciding whether to resign. This has been interpreted as the first public sign of negotiations between the company and the Chavez Government. One source has reported that three Board members will step down on March 7 which will defuse the crisis.

End summary.

3. (U) For the past two weeks, PDVSA employees nationwide have been protesting the Chavez Administration's February 25 appointment of a new Board of Directors. While numerous issues surrounding the relationship between the company and the Chavez Government are now emerging in the public debate, the active protests have centered around the appointment of mid-level managers, better known for their political sympathies than their technical or managerial abilities, to the PDVSA Board.

BACKGROUND

4. (U) As reported reftel, the slate of Board members includes the following:

Principal Directors and Vice Presidents:

Jorge Kamkoff Miller - As noted reftel, Kamkoff is one of only two members of the previous Board who were re-appointed. Kamkoff is a highly regarded PDVSA professional who was first appointed as Vice President in March 2001.

Alfredo Riera Lozada - served most recently as the Managing Director of Bitor, the PDVSA affiliate which produces orimulsion. Riera started his career in the industry working for Mobil. He entered PDVSA in 1982 and has had a number of managerial positions.

Full-time Principal Directors:

Carlos Mendoza Potella - served most recently as Venezuelan

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UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: JOHN L MILLS
DATE/CASE ID: 06 JUN 2006 200304421

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Ambassador to Saudi Arabia. Mendoza is an economist who taught for 38 years at the Central University of Venezuela. In this capacity, he was well known as one of a circle of academics supporting Parra in his opposition to the opening of the Venezuelan petroleum sector.

Luis Davila Puente - entered PDVSA in 1982 and has held a number of management positions in finance. Davila was named as Acting Director of Planning and Financial Control in 1999 and Executive Director of Corporate Finance in June 2000.

Argenis Rodriguez Gonzalez - has worked as a geologist at PDVSA's research arm, INTEVEP. Argenis Rodriguez is close to OPEC Secretary General Ali Rodriguez and is well known as a supporter of the Chavez Government. His CV mentions that he has taught in Cuba and is now an honorary professor to the Cuban Ministry of Basic Industry. He reportedly skipped eight management levels with his appointment to the PDVSA Board.

Pelix Rodriguez - has worked for 28 years in the petroleum industry. He has worked for the past eight months as Manager of Production Planning Before that, he was the manager of the PDVSA Lagunillas District in Eulia State. Felix Rodriguez reportedly jumped six management levels.

Additional Addressees:
None

cc:

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REF: CARACAS 500

End Cable Text

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